FINANCIAL OPERATIONS OF OHIO FARMER OWNED ELEVATORS DURING THE FISCAL YEAR 1934-35.

by

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Foreword

For several years past the Department of Rural Economics of Ohio State University has issued each fall a bulletin summarizing the financial operations of the farmer owned elevators of the state for the preceding fiscal year. The following pages constitute the seventh number in this series, and give the data for the fiscal year 1934-1935. It is to be remembered that while 50% to 60% of the companies have a fiscal year ending December 31, many end their year with various dates from February 28 to June 30, and we must take the data for whatever happens to be the respective fiscal years. Hence, about half of these figures are for the year 1934 and the remaining figures are for twelve months, ending some time in the first half of 1935.

The tables given below, in addition to comparative data from preceding years, are based on the following:

1. The main balance sheet and income and expense items from 149 companies, operating 180 plants.

2. Detailed analysis of expense items from 46 companies.

3. Commodity sales and margins from 33 companies.

4. Month by month figures of charges, collections and balances of accounts receivable from 15 companies.

In view of the influence of volume of business on expense ratios and on profits, we have from the beginning divided out companies into groups on the volume basis. Changes in price levels have forced us at times to move the dividing line, but the principle has been the same. In this bulletin the distribution is as follows, the first four groups containing all companies which operate one plant only:

Group I - All companies under $75,000 in sales volume.
Group II - With volumes from $75,000 to $125,000.
Group III - With volumes from $125,000 to $200,000.
Group IV - With volumes above $200,000
Group V - All companies operating more than one plant each.

Chapter I

Introductory

The first question one is generally asked about farmers elevators is, How are the elevators getting along?

For the year 1934-35 of the 149 companies represented in our figures 139 or 93% showed profits and 10 showed losses. The 139 showed gains of $582,564, an average of $4191 each, while the combined losses of the 10 were $5227, an average of $523. An examination of Table I below will show this in more detail. Note that nearly all showing losses are in the small volume groups.

Table I

Gains and Losses by Groups - Farmer Elevators of Ohio 1934-35

Group	Showing Gains		Showing Losses		Net Gain of Group	Av. Gain Per Company
	No.	Net Gain	No.	Net Loss		
I	32	$ 55,437	7	$3,790	$ 51,647	$1,324
II	37	104,902	2	1,267	103,635	2,657
III	36	178,569	0	-----	178,569	4,960
IV	14	93,042	0	-----	93,042	6,646
V	20	150,614	1	170	150,444	7,164
Total	139	582,564	10	5,227	577,337	3,875

How does this compare with preceding years?

This average net gain of $3,875 per company is the highest for any year whose figures we have. In 1928 the net gain was $3,649 per company - nearly equal to that of 1934; from 1928 the decline was steady until 1932, with rapid advance since then.

Note in Table II the rapid rise in expense per dollar of sales; practically every company made drastic reductions of expense, but few could cut expenses so rapidly as volume of business was declining, so the expense ratio rose every year until in 1932 it was 12.8% of sales, or two-thirds higher than in 1929. With rise in volume of sales, the expense ratio has fallen to 8.5% or lower than in any year except one. In other words while the curve of prices is the big factor in determining gross trading profit, volume of sales not only affects gross profits, but is a major factor in expense ratios. See Table II for further details.

Table II

Figures of Ohio Farmer Elevator Operations
Compared with U.S.D.A. Indices of Farmers' Prices
1929-1934

	1929	1930	1931	1932	1933	1934
Farmers' Buying Price (1909-14 = 100)*	153	145	124	107	109	123
Farmers' Selling Price (1909-14 = 100)*	146	126	87	65	70	90
Volume in Thousands of Dollars	170	146	108	83	102	138
Gross Trading Margin (in Dollars)	13077	11900	10386	9253	10088	13782
Total Expenses in per cent of Sales	7.6	9.0	10.9	12.8	10.8	8.4
Net Profit per company (in dollars)	2991	1692	1143	635	1698	3875

* The U.S.D.A. recently revised these indices, and we are using the revised figures.

How do the elevators compare with business at large in the success of their operations?

Last year we quoted figures from the National City Bank Magazine for April, 1934 indicating that 1975 corporations operating in 55 industrial lines and having a net worth of 25 billions of dollars had averaged a small net loss in 1932; the farmers' elevators of Ohio averaged a net gain of 1.75% of their net worth.

Likewise the same publication for April, 1935, gives data on 1435 manufacturing and trading corporations with a net worth exceeding 23 billions, which averaged net gains over losses amounting to 2.7% of net worth in 1933 and 4.5% in 1934. The farmers' elevators averaged after all losses were subtracted a net gain of 4.85% of net worth in 1933, and in this last year a net gain over losses of 10.3% of net worth - more than double that of business at large. No comparison of this kind should be pushed too far, but surely these figures do show that the low returns on elevator business during the years since 1930 are merely part of the general problem affecting business in general, that the elevators came thru rather better than business as a whole, and that they are recovering faster to date than many of the major lines of business.

What major factors contributed to these recent gains?

At least four influences have been at work.

1. The rising price level since early 1933. This rise in prices (besides contributing to other factors mentioned below) produced a constantly increasing value of inventory on hand, thus increasing the percentage of profit margin on goods handled.

2. The volume of business increased. The increase of dollar volume was partly due to higher prices, but there was also actual increase in tonnage handled. Thus there was a larger volume handled and on a larger gain percentage.

3. Better prices gave the farmers more money; hence, a larger part of the goods were bought for cash or under 30 days time; also some of the accounts receivable outstanding for years were paid.

4. Expense of operation, slow in going down 1930-32, is likewise slow in advancing. While gross gains increased in 1934 by 18% over 1933, expense increased by less than 6%.

Chapter II

Income of Farmer Owned Elevators.

What are the principal sources of the company's income?

The average total income per company in 1934-35 was $15,566; of this $13,782, or 88.5%, came from margins on goods handled. Grinding was the source of $1150 per company, or about 7.4% of the total. Miscellaneous sources added the remaining $634.

We present in Table III below the average sales and average income from each major source for each group. As one would expect, grinding income is a smaller item but a larger percentage of total income in the smaller than in the larger volume companies.

Table III

Sources of Income of Ohio Elevator Companies, 1934-35 in Averages Per Company in Each Group.

Group	Sales	Trading Margin	Grinding	Other Income	Total Income	What % of Total Inc. from Trading Margin
I	$ 52,706	$ 6,536	$ 675	$ 434	$ 7,645	85.5
II	95,572	10,306	1,119	420	11,845	87.0
III	156,472	15,373	1,336	677	17,386	88.4
IV	223,722	19,770	1,267	884	21,921	90.2
V	288,936	26,971	1,694	1,165	29,830	90.4
Av.	138,360	13,782	1,150	634	15,566	88.5

The rising prices prevailing thru part of 1934 contributed to these margins; at the same time it is fair to recognize that the gross trading margin was slightly below 10% of sales whereas in 1933-34 it was 10.6%

The change in income from grinding is strikingly brought out in the following statement of receipts from grinding, with substantially the same elevators represented in the different years:

1929-30	$315,000	1932-33	$234,000
1930-31	342,000	1933-34	190,000
1931-32	284,000	1934-35	171,000

The traveling feed grinders have taken part of the business and the price charged for grinding has been lowered by many companies. Further, with the low prices for livestock and livestock products in the past few years, many farmers have done less grinding of feeds. Hence we find grinding which up to 1930-31 was constituting a steadily increasing part of elevator income, has rather rapidly declined since that time.

Other income is mostly from three sources, interest on notes or accounts receivable or bonds or bank deposits, receipts from trucking, and receipts from stock and patronage dividends from central sales organizations. Other items are rents received, accounts previously charged off and later paid, commissions for occasional services, and cash overages. "Other income" has for years been a little under $100,000.

Table IV presents in more condensed form the totals of the various sources of income from 127 identical companies for the past four years.

Table IV

Income of Farmer Owned Elevators for the Years 1931-35
as shown by the Totals for 127 Identical Companies

	1931-2	1932-3	1933-4	1934-5
Sales	$13,628,955	$10,731,659	$13,540,435	$20,615,576
Trading Margin	1,331,647	1,204,772	1,440,140	2,053,439
Grinding	250,457	210,059	171,023	171,355
Other Income	88,638	94,368	74,179	94,534
Total Income	1,670,742	1,509,199	1,685,342	2,319,328

What commodities contribute most of this income?

This varies with every company; it varies between any two sections of the state, especially between western and eastern Ohio; it varies with different years, as the district which ships 10 cars of wheat one year may ship 30 another year; it varies with weather conditions at harvest and resulting quality of grain. However a fairly accurate picture can be gotten from Table V below. From the audit summaries of 33 companies whose figures as we have them are failry complete and represent a volume of over $5,000,000, we get the data presented in this table. The last three columns are from similar tables in earlier bulletins.

Table V

Commodity Sales and Trading Margins in Farmers' Elevators
as shown by Data from 33 Companies - 1934-35

Commodity	Sales	Margin	Per cent of Margin	Margins in preceding years 1933-4	1932-3	1931-2
Wheat	$1,534,248	$ 87,894	5.7	5.1	6.9	7.3
Corn	824,187	73,490	8.9	12.6	11.3	8.0
Oats	277,069	32,298	11.6	13.8	9.2	10.0
Other Grains	11,624	3,054	26.3	20.2	10.3	5.2
All Grains	2,647,128	196,736	7.4			
Hay & Straw	25,729	3,119	12.1	10.8	13.5	10.7
Livestock	223,894	2,317	1.0	1.5	2.3	1.4
Feed & Flour	626,514	78,178	12.5	17.4	15.6	13.4
Seed	160,657	20,850	13.0	13.6	8.4	6.6
Fertilizer	126,294	15,747	12.5	11.1	11.6	11.5
Coal	352,878	66,479	18.8	17.6	17.5	16.5
Bldg. Material	45,946	11,744	25.5	23.6		15.7
Farm Machinery	69,320	15,904	22.9	14.3		11.5
Fence & Posts	58,997	7,176	12.1	15.6	8.0	10.4
Gas & Oil	77,331	12,794	16.5	15.8	9.7	15.8
Twine	9,345	1,087	11.6			
General Mdse.	581,420	87,275	15.0	14.5	13.7	10.9
Total Mdse.	2,108,702	317,234	15.0			

This group of 33 companies is fairly representative of the whole number. We see then that while products sold by the farmer (grain, hay, livestock) contributed some 58% of the volume of business of the elevators, the 42% of volume arising from local sales by the elevator to farmers and others contributed more than 60% of the trading profits.

Among the merchandise items Feed and Coal are outstanding, together furnishing about half the merchandise volume and half the gross margins. The table does not bring out the further fact that gas and oil, building materials, and farm machinery are being handled in increasing quantities.

One should note further in connection with this table:

1. That General Merchandise in the table includes for several of the companies twine, fence and posts, possibly seed, or fertilizer, as not all the audits presented separate figures on these commodities.

2. The general average margin of 10.37 shown by these 33 companies is somewhat higher than that for the whole group, which is slightly below 10.0.

3. The larger margin on merchandise items (15.0%) than on grain (7.4%) is due to the greater handling expense. Merchandise items sell normally in smaller units, call for more service in handling, in delivery and in records, are in stock relatively longer, occasionally prove unsalable, and also involve losses on book accounts, hence must demand wider handling margins.

4. And finally, we always present such a table as this with some fears. Competitive conditions temporarily affecting a particular commodity, weather influences which may one time divide, and at another time double expected sales, varying prices which may catch a manager with a big stock on which he gains or loses heavily, are only a few of the varying conditions which may make any one of these ratios not typical. Where year after year the ratio is fairly uniform, it must have considerable validity.

Chapter III

Expenses of Farmer Owned Elevators

The first question regarding expense is naturally, How does expense compare with income in the different groups?

The answer to this is found in Table VI.

Table VI.

Income and Expense of Ohio Farmer Owned Elevators, 1934-35
Averages per Company by Groups.

Group	No. in Group	Sales	Gross Income	Total Expense	Net Gain
I	39	$ 52,706	$ 7,645	$ 6,321	$1,324
II	39	95,572	11,845	9,188	2,657
III	36	156,472	17,386	12,426	4,960
IV	14	223,722	21,921	15,275	6,646
V	21	288,936	29,830	22,666	7,164
Averages:	149	138,360	15,566	11,691	3,875
Net gain Per plant	180	114,531	12,885	9,678	3,207

To one familiar with tables similar to this from past years, one fact is so striking as to demand comment before analyzing it as an expense table, and that is the near uniformity of net gain ratios throughout the groups. In each case the net gain is within a low of 2.5% of sales to a high of 3.1%, whereas in the preceding year, e.g., Group I, the smallest volume group, made a net gain of 1/2% of sales, Group II made 1.8%, Group III made 2.1%, Group IV made 2.6%. In 1932 Group I showed a loss, while all other groups showed gains of varying ratios.

What are the principal items in elevator expense? Tables VII. and VIII answer this question from their respective viewpoints.

Table VII

Major Expense Items - Farmer Elevator Companies 1934-35
Averages for 149 Companies

Group	Average Sales	Interest	Depreciation	Bad Debts	Operating Expense	Total Expense	Op. Exp. Ratio	Tot. Exp. Ratio
I	$ 52,706	$321	$ 690	$ 403	$ 4,907	$ 6,321	9.3	12.0
II	95,572	324	1,043	680	7,140	9,187	7.5	9.6
III	156,472	189	1,353	899	9,985	12,426	6.4	7.9
IV	223,722	223	1,791	1,096	12,165	15,275	5.4	6.8
V	288,936	793	2,673	1,836	17,364	22,666	6.0	7.8
Averages	138,360	347	1,325	863	9,156	11,691	6.6	8.4

The relation of volume to expense appears in the steady reduction of both operating and total expense as volume increases thru the first four groups. As always heretofore Group V (each company operating two to five plants) has an expense ratio about equal to that of Group III. Group V averaged a volume of about $115,000 per plant; that it should have expense ratios slightly better than those of a group with $156,000 volume would indicate that group management has certain economies over single plant management.

Last year's bulletin had a chapter on Group Management, in which we gave figures showing that the companies under group management had operating expenses of 7.7% of sales, and total expenses of 10.0% of sales as against a similar group of individually operated plants which had expenses of 8.5% and 10.9% respectively.

A more complete distribution of expense among the major items is presented in Table VIII below. The figures for 1934-35 are from the reports of 46 companies on which we have these data. The figures for 1933-34 were similarly compiled; the three year average given is the average as shown in similar tables for the three years ending with 1931-32.

Table VIII

Percentage which each Expense Item is of Total Expense
Data from 46 Companies

Item	1934-5	1933-4	Av. 3 yrs.	Item	1934-5	1933-4	Av. 3 yrs.
Labor	45.4	43.5	49.6	Audit & Legal	1.3	1.1	.4
Power	7.7	8.9	8.8	Truck	4.4	4.2	2.8
Insurance	4.8	4.9	4.9	Office Supplies	1.7	2.3	2.4
Taxes	4.1	4.8	4.7	Interest	2.8	3.4	4.8
Supplies & Repairs	3.6	4.0	3.8	Depreciation	11.8	11.4	11.2
Advertising	1.3	1.3	1.1	Bad Debts	7.7	8.4	2.8
Post. & Tel.	1.1	1.1	1.0	Miscellaneous	2.3	.7	1.7

A comparison of the share which each item was of the total expense for the different years shows as it should considerable uniformity, but also shows several distinct trends. The steady decline of the interest charge goes with the steady retirement of debt; the rise in truck expense goes with the increase of merchandise deliveries and the trucking in of grain; the rise of costs for audit and legal service, while doubtless overstated in this sample, is a real fact, due to more complete audits, and more income tax and reorganization service; the increase of bad debt reserves has already been mentioned; the decline in taxes is due largely to the general reduction of real estate appraisals over Ohio, combined with the 10 mill limitation. "Miscellaneous" is meaningless as it is merely a catch-all for not only what the audits give as miscellaneous, but for all those items which do not appear regularly in an elevator audit.

How do large volume companies compare with small in the distribution of expense among the items?

To discover if there is any considerable difference at this point we selected 12 of the smaller companies from Group I to compare with 12 from Group IV. The comparison does not seem to show differences of any particular significance, and we refer to it merely because others may have wondered as we did regarding the question. The respective average volumes were approximately $60,000 and $213,000. The labor costs were 47.5% of total expense in the smaller and 46.1% in the larger. The smaller companies not only spent fewer dollars for market and other communications, but a smaller percentage of sales. The smaller had a much larger interest bill relatively, due to less ability to pay off the debts of earlier years. The insurance expense was somewhat larger for the smaller companies, which naturally follows from their smaller sales in proportion to plant and inventory investment. To sum up, the only differences we discovered are such as we should have logically expected.

Chapter IV.

The Financial Resources and Liabilities of the Farmers' Elevators of Ohio

What is the present financial status of the farmers' elevators of Ohio?

The best it has been at any date for which we have figures. Mr. Foster found * that in 1924-5 the elevators handling grain principally had as a group no surplus while those handling merchandise principally had about $1560 surplus on the average. In the succeeding 5 years deficits were reduced or wiped out and surpluses built up, so that by 1928-9 the average surplus per company after deducting deficits was about $10,000. From that date on the average book value per $100 share of the whole capital stock outstanding has been above $130., varying between $132 and $138.

The 149 companies in our figures this year show an average book value per $100 share of $142.66. Nearly 5 companies out of 6 have surpluses averaging about $15,700 per company; 24 companies have deficits averaging below $12,200 each; it is interesting to note that of the total deficit of $292,000, 5 companies contribute $173,000. Table IX below shows the distribution of surplus and deficit among the groups.

Table IX

Surplus and Deficit Status of Ohio Farmers' Elevators, 1934-35

Group	No. with Surplus: No.	No. with Surplus: Amount	No. with Deficit: No.	No. with Deficit: Amount	Net Surplus	Av. Per Company	Value per $100 share
I	30	$188,957	9	$109,201	$ 79,756	$ 2,045	$110.80
II	29	368,654	9	55,306	313,348	8,035	132.60
III	34	618,939	2	54,693	564,246	15,674	158.37
IV	14	316,425	0	------	316,425	22,602	184.75
V	16	462,104	4	73,064	389,040	1,853	145.32
Total	123	1,955,079	24	292,264	1,662,815	11,160	142.66

* Bulletin 416, Ohio Agricultural Experiment Station, "Economic Aspects of Ohio Farmers Elevators."

What total resources are represented by the farmer elevator movement in Ohio?

For the 133 companies on which we have fairly complete data, the total assets averaged about $45,700 per company - a total of more than $6,000,000. This would indicate for the whole number in the state total assets of more than $8,000,000 in which the stockholders have fully 80% equity.

What items make up the resources of the average company?

The major items of the balance sheet of the elevator companies in our 1934-35 data average approximately as follows:

Assets		Liabilities		
Cash	$ 5,000	Notes Payable		$ 4,710
Inventory	11,000	Accounts Payable		3,668 *
A/c Rec.	11,100			
Net Plant	18,300	Cap. Stock	$26,162	
Other Assets	300	Surplus	11,160	37,322
	45,700			45,700

Of the assets, Cash (in which we include cash in till and in bank, and U.S. Bonds) was $5000 in comparison with $3700 at the end of the 1931-32 year and some $500 less than that 1932 to 1934.

Inventory on the average is relatively constant in tonnage, so that expressed in dollars it fluctuates with price level. This is beautifully brought out in the average inventory values on hand for the past four years; viz., $8300, $7350, $9175, $11300.

Accounts receivable at $11,100 are higher, everyone agrees, than they should be; at that they show some reduction from the $12,000 to $13,000 averages prevailing in the three years 1929-32. This matter is more fully discussed elsewhere.

Net plant values as would be expected in established institutions are fairly constant, showing over the past four years an extreme variation of less than 4%. Gross charges to plant have increased by $400 but reserves for depreciation have increased by $1150. Managers occasionally say to me: "We have our plant written down to knockdown value." The writer sees no occasion for writing a plant down to a figure below going concern value. During the years preceding 1929, most companies were carrying plants at too high net figures; the low income of the early 30's did not encourage heavy write offs, but the last two years especially have seen considerable increase in the yearly set up for depreciation reserves and incidentally bad accounts as well.

* We do not have complete records on this item, and have used the figure needed to balance the other items all of which we do have. It is fair to say however that the item includes for many companies the reserve set up at the time of the audit for dividends on stock and on patronage.

On the liability side, the reduction of notes payable will be recounted later. To give another specific figure, 128 companies appearing the past 3 years in our records show an average for the past three years of $6006, $5237 and $4624 respectively, a decline in two years of 23%.

Capital Stock

Like fixed assets, capital stock for the whole group fluctuates little, - in the past four years, entirely within a range of less than 3%. The only increases are the sale of an occasional share to an incoming stockholder; the only reductions in general are the purchase of the stock left in some estate, or the occasional share taken up as the only means of collecting an account. One company a few years back reduced its stock and its valuation of properties by some $10,000 each; two other companies are in process of reducing capital stock from $100 to $20 or $25 as a means of adjusting book values to commercial values.

Surplus for the group equals total surpluses less total deficits. From some $10,000 average per company 1931-32 it fell next year by about 13% and slightly further in 1933-34. This meant that some companies were paying dividends out of accumulated surplus instead of out of the year's earnings; other companies charged considerable reserves for bad debts to surplus rather than to the year's earnings. This year's earnings were used partly for dividends but also to pay debts or increase working capital and thus add to surplus, so that the surplus advanced 30% over that at the end of last year to the figure of $11,160.

Net worth made up of stock and surplus is now at the high point of $37,322, $2300 higher than a year ago, and more than a thousand higher than in 1931-32.

Why carry so much surplus? Why not distribute part of it in dividends?

When one finds company after company with a book value of $150 to $300 per $100 share and several above $300; when he sees surpluses of $25,000, $30,000, $40,000 and one of $100,000, the above questions naturally occur. The first thing to note is that most of these companies started out badly undercapitalized; e.g., one company with $40,000 of assets had $14,000 capital stock which means that they were in debt until they had $26,000 surplus built up. Another has $29,000 capital, $34,000 surplus and yet has $4000 of notes outstanding.

Another factor is the strong cash position maintained. The total cash of $696,000 for 133 companies, or $5000 each does not seem excessive - it is only about 10 days average purchases plus operating expenses. However, when one sees individual companies with $10,000 to $25,000 cash on hand amounting to 10% and even 20% of a whole year's business, he wonders if the fears engendered in years of operation without sufficient working capital have made the management too greedy of "Cash on Hand."

One legitimate reason for maintaining a strong financial position is the possibility of rising prices. The same companies which have $696,000 cash, carry inventories of $1,500,000. A 10% advance in prices would rapidly tie up nearly a fourth of their cash and a 20% advance would call for a third to a half of their cash.

What success have the companies had in paying off their indebtedness?

The answer to this question throws further light on why surpluses were built up and also on the increased strength of the elevator companies.

The 58 companies whose figures appear in both Mr. Foster's data and ours had $750,000 of notes payable outstanding at the end of the 1924-25 year; and had at the end of this past year reduced that to less than $250,000. The interesting thing is that $200,000 of this was paid off in the depression years.

Likewise 128 companies whose figures on this item we have for the past three years had reduced their permanent debt from $768,000 to $592,000, a cut of nearly one-fourth in that time. The past year alone saw 141 companies reduce notes payable by 14%.

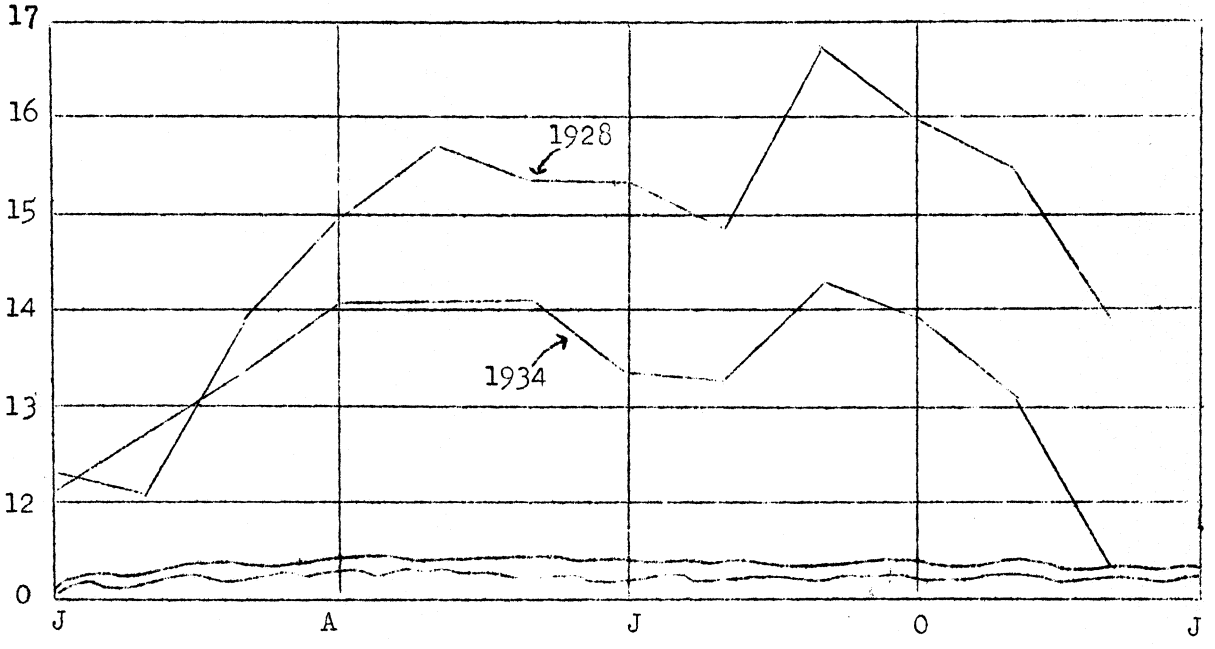
A further worthwhile thought comes from the experience of one company whose notes payable record in itself does not look so good (about $13,000 in 1924, $16,500 in 1928, $8000 in 1932, $16,500 in 1934, $17,500 in 1935); that is, it does not look so good until one knows that they built and stocked a complete hardware store which caused the increase in debt shown in 1928, later bought a plant in a neighboring town, and recently bought and stocked a lumber yard. The $8000 debt went with a $62,000 net worth, and the present $17,500 debt represents assets over and above a net worth of $85,000. The same thing is true in lesser degree of numberless companies which built new storage space, added gasoline stations, bought a lumber yard, etc.

Has the steady advance in accounts receivable been stopped?

In general, yes. For several years the average per elevator increased by about 10% over the preceding year. As early as 1930-31 this increase was cut to 3% and then a reduction began. Managers tell us that the current accounts make little trouble; farmers are buying only what they can pay for, and managers are selling only what they are reasonably sure they will collect. It is the old accounts which cause the difficulty, and it is to be feared that most of what net reduction has been secured in the past two years - about 5% - was made by writing off some of the old accounts.

Some 17 companies have for years given us their monthly totals of collections, charges, and balances as shown by the control account. A comparison of the curve for a year some time back (1928) with that for 1934 shows striking likenesses and equally striking changes.

Rise and Fall of Accounts Receivable
of 17 Farmer Elevator Companies
Month by Month for 1928 and 1934.
(in Thousands of Dollars)



The similarities are in the rapid rise in spring, the decline June to August, the big increase in September, and the strikingly parallel decline October to December 31. The differences are in holding the peak of May, 1934 $1650 below that of May, 1928, still making about the same collections in the next three months, then holding the September peak of 1934 nearly $2400 below that of 1928. Equally good collections in the fall resulted in the final difference that whereas 1928 ended $1650 higher than it began, 1934 ended $670 lower than it began. So the problem is being brought under control.